

United States Bankruptcy Court
Eastern District of New York

Voluntary Petition

| | |
|--|---|
| Name of Debtor (if individual, enter Last, First, Middle): Sid's Hardware & Homecenter Corp. | Name of Joint Debtor (Spouse) (Last, First, Middle): |
| All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): DBA Sid's True Value Hardware | All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names): |
| Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) 11-2566631 | Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) |
| Street Address of Debtor (No. and Street, City, and State): 345 Jay Street Brooklyn, NY <div style="text-align: right;">ZIP Code 11201</div> | Street Address of Joint Debtor (No. and Street, City, and State): <div style="text-align: right;">ZIP Code</div> |
| County of Residence or of the Principal Place of Business: Kings | County of Residence or of the Principal Place of Business: |
| Mailing Address of Debtor (if different from street address): <div style="text-align: right;">ZIP Code</div> | Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right;">ZIP Code</div> |
| Location of Principal Assets of Business Debtor (if different from street address above): | |

| | | |
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| Type of Debtor (Form of Organization) (Check one box) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) | Nature of Business (Check one box) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other Tax-Exempt Entity (Check box, if applicable) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code). | Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding Nature of Debts (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts. |
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| Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B. | Chapter 11 Debtors Check one box: <input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000. Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b). |
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|--|--|---|---|---|---|--|---|---|--|---------------------------------------|--|--|---|---|---|---|--|---|---|--|--|--|---|---|---|---|--|---|---|--|----------------------------------|
| Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors. Estimated Number of Creditors <table style="width:100%;"> <tr> <td><input type="checkbox"/> 1-49</td> <td><input checked="" type="checkbox"/> 50-99</td> <td><input type="checkbox"/> 100-199</td> <td><input type="checkbox"/> 200-999</td> <td><input type="checkbox"/> 1,000-5,000</td> <td><input type="checkbox"/> 5,001-10,000</td> <td><input type="checkbox"/> 10,001-25,000</td> <td><input type="checkbox"/> 25,001-50,000</td> <td><input type="checkbox"/> 50,001-100,000</td> <td><input type="checkbox"/> OVER 100,000</td> </tr> </table> Estimated Assets <table style="width:100%;"> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input type="checkbox"/> \$50,001 to \$100,000</td> <td><input type="checkbox"/> \$100,001 to \$500,000</td> <td><input type="checkbox"/> \$500,001 to \$1 million</td> <td><input checked="" type="checkbox"/> \$1,000,001 to \$10 million</td> <td><input type="checkbox"/> \$10,000,001 to \$50 million</td> <td><input type="checkbox"/> \$50,000,001 to \$100 million</td> <td><input type="checkbox"/> \$100,000,001 to \$500 million</td> <td><input type="checkbox"/> \$500,000,001 to \$1 billion</td> <td><input type="checkbox"/> More than \$1 billion</td> </tr> </table> Estimated Liabilities <table style="width:100%;"> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input type="checkbox"/> \$50,001 to \$100,000</td> <td><input type="checkbox"/> \$100,001 to \$500,000</td> <td><input type="checkbox"/> \$500,001 to \$1 million</td> <td><input checked="" type="checkbox"/> \$1,000,001 to \$10 million</td> <td><input type="checkbox"/> \$10,000,001 to \$50 million</td> <td><input type="checkbox"/> \$50,000,001 to \$100 million</td> <td><input type="checkbox"/> \$100,000,001 to \$500 million</td> <td><input type="checkbox"/> \$500,000,001 to \$1 billion</td> <td><input type="checkbox"/> More than \$1 billion</td> </tr> </table> | <input type="checkbox"/> 1-49 | <input checked="" type="checkbox"/> 50-99 | <input type="checkbox"/> 100-199 | <input type="checkbox"/> 200-999 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 5,001-10,000 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> 25,001-50,000 | <input type="checkbox"/> 50,001-100,000 | <input type="checkbox"/> OVER 100,000 | <input type="checkbox"/> \$0 to \$50,000 | <input type="checkbox"/> \$50,001 to \$100,000 | <input type="checkbox"/> \$100,001 to \$500,000 | <input type="checkbox"/> \$500,001 to \$1 million | <input checked="" type="checkbox"/> \$1,000,001 to \$10 million | <input type="checkbox"/> \$10,000,001 to \$50 million | <input type="checkbox"/> \$50,000,001 to \$100 million | <input type="checkbox"/> \$100,000,001 to \$500 million | <input type="checkbox"/> \$500,000,001 to \$1 billion | <input type="checkbox"/> More than \$1 billion | <input type="checkbox"/> \$0 to \$50,000 | <input type="checkbox"/> \$50,001 to \$100,000 | <input type="checkbox"/> \$100,001 to \$500,000 | <input type="checkbox"/> \$500,001 to \$1 million | <input checked="" type="checkbox"/> \$1,000,001 to \$10 million | <input type="checkbox"/> \$10,000,001 to \$50 million | <input type="checkbox"/> \$50,000,001 to \$100 million | <input type="checkbox"/> \$100,000,001 to \$500 million | <input type="checkbox"/> \$500,000,001 to \$1 billion | <input type="checkbox"/> More than \$1 billion | THIS SPACE IS FOR COURT USE ONLY |
| <input type="checkbox"/> 1-49 | <input checked="" type="checkbox"/> 50-99 | <input type="checkbox"/> 100-199 | <input type="checkbox"/> 200-999 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 5,001-10,000 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> 25,001-50,000 | <input type="checkbox"/> 50,001-100,000 | <input type="checkbox"/> OVER 100,000 | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> \$0 to \$50,000 | <input type="checkbox"/> \$50,001 to \$100,000 | <input type="checkbox"/> \$100,001 to \$500,000 | <input type="checkbox"/> \$500,001 to \$1 million | <input checked="" type="checkbox"/> \$1,000,001 to \$10 million | <input type="checkbox"/> \$10,000,001 to \$50 million | <input type="checkbox"/> \$50,000,001 to \$100 million | <input type="checkbox"/> \$100,000,001 to \$500 million | <input type="checkbox"/> \$500,000,001 to \$1 billion | <input type="checkbox"/> More than \$1 billion | | | | | | | | | | | | | | | | | | | | | | |
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| Voluntary Petition <i>(This page must be completed and filed in every case)</i> | | Name of Debtor(s): Sid's Hardware & Homecenter Corp. | |
| All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet) | | | |
| Location Where Filed: - None - | Case Number: | Date Filed: | |
| Location Where Filed: | Case Number: | Date Filed: | |
| Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet) | | | |
| Name of Debtor: - None - | Case Number: | Date Filed: | |
| District: | Relationship: | Judge: | |
| <div style="text-align: center; padding: 5px;">Exhibit A</div> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p> | | <div style="text-align: center; padding: 5px;">Exhibit B</div> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p>X _____ Signature of Attorney for Debtor(s) (Date)</p> | |
| Exhibit C | | | |
| Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? | | | |
| <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No. | | | |
| Exhibit D | | | |
| (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.) | | | |
| <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition. | | | |
| If this is a joint petition: | | | |
| <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition. | | | |
| Information Regarding the Debtor - Venue (Check any applicable box) | | | |
| <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. | | | |
| <input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District. | | | |
| <input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District. | | | |
| Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes) | | | |
| <input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.) | | | |
| _____ (Name of landlord that obtained judgment) | | | |
| _____ (Address of landlord) | | | |
| <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and | | | |
| <input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition. | | | |
| <input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)). | | | |

Voluntary Petition*(This page must be completed and filed in every case)*

Name of Debtor(s):

Sid's Hardware & Homecenter Corp.**Signatures****Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of Attorney*

X /s/ Arthur Goldstein
Signature of Attorney for Debtor(s)

Arthur Goldstein AG-8735

Printed Name of Attorney for Debtor(s)

Todtman Nachamie Spizz & Johns PC

Firm Name

**425 Park Avenue
5th Floor
New York, NY 10022**

Address

Email: bnachamie@tnsj-law.com

212-754-9400 Fax: 212-754-6262

Telephone Number

January 22, 2010

Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ Galit Gold
Signature of Authorized Individual

Galit Gold

Printed Name of Authorized Individual

President

Title of Authorized Individual

January 22, 2010

Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.

☐ Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____
Signature of Foreign Representative

Printed Name of Foreign Representative

Date

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X _____

Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.

CORPORATE RESOLUTION

The undersigned, the sole officer, director and shareholder of Sid's Hardware & Homecenter Corp., a New York corporation (the "Corporation"), does hereby certify that at a duly called meeting of the Board of Directors of the Corporation held on the 21st day of January, 2010, the following resolutions were adopted, and they have not been modified or rescinded, and are still in full force and effect:

"RESOLVED, that in the judgment of the Board of Directors, it is desirable and in the best interests of the Corporation, that its officers be empowered to cause a petition under Chapter 11 of the Bankruptcy Code to be filed by the Corporation for the protection of the Corporation and the preservation of its assets without further notice to the Board of Directors of the Corporation; and it is further

RESOLVED, that the officers of the Corporation, or any of them, be and they hereby are, authorized to execute and file all petitions, schedules, lists and other papers and to take any and all action which they may deem necessary or proper in connection with such proceedings under Chapter 11, and in that connection to retain and employ Todtman, Nachamie, Spizz & Johns, P.C., and to retain and employ all assistance by other legal counsel or otherwise which they may deem necessary or proper with a view to the successful conclusion of such Chapter 11 case."

IN WITNESS WHEREOF, I have hereunto set my hand, this 22nd day of January, 2010.

s/ Galit Gold

Galit Gold

ATTACHMENTS TO VOLUNTARY PETITION

In accordance with 11 U.S.C. 1116, attached hereto are the Debtor's most recent:

1. Balance Sheet
2. Statement of Operations
3. Cash Flow Statement
4. Federal Income Tax Return

SID'S HARDWARE & HOME CENTER CORP.
Balance Sheet
As of December 31, 2009

| | Dec 31, 09 |
|---------------------------------------|---------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 101 - Citibank | -9,035.59 |
| 102 - Cash - Payroll | -3,722.92 |
| 104 - Suspense account | 1,909.74 |
| Total Checking/Savings | -10,848.77 |
| Accounts Receivable | |
| 113 - Accounts Receivable | 240,681.07 |
| Total Accounts Receivable | 240,681.07 |
| Other Current Assets | |
| 106 - Payroll Clearing | 11,689.63 |
| 120 - Inventory | 969,837.00 |
| 121 - Undeposited Funds | -341.70 |
| 12100 - Inventory Asset | -67.35 |
| Total Other Current Assets | 981,117.58 |
| Total Current Assets | 1,210,949.88 |
| Fixed Assets | |
| 135 - Furniture and Equipment | |
| 136 - Accumulated Depreciation F&F | -22,843.68 |
| 135 - Furniture and Equipment - Other | 23,912.26 |
| Total 135 - Furniture and Equipment | 1,068.58 |
| 139 - Autos & Trucks | |
| 140 - Accum Depr. - Trucks | -26,148.00 |
| 139 - Autos & Trucks - Other | 26,148.00 |
| Total 139 - Autos & Trucks | 0.00 |
| 141 - Office Equipment | |
| 142 - Accum Depr. - Office Equipment | -17,522.00 |
| 141 - Office Equipment - Other | 19,670.94 |
| Total 141 - Office Equipment | 2,148.94 |
| Total Fixed Assets | 3,217.52 |
| Other Assets | |
| 164 - Investment - True Value | 64,814.25 |
| Total Other Assets | 64,814.25 |
| TOTAL ASSETS | 1,278,981.65 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 201 - Accounts Payable | 201,154.05 |
| 202 - Accounts Payable-Office Expense | 823,111.16 |
| Total Accounts Payable | 1,024,265.21 |
| Credit Cards | |
| 205 - Advanta Credit Card - Sid's | 4,050.43 |
| Total Credit Cards | 4,050.43 |
| Other Current Liabilities | |
| 211 - Accrued Expenses | 390,670.16 |
| 212 - Citibank - Credit Line | 222,217.06 |
| 213 - Citibank - Checking Plus | 4,964.49 |
| 224 - Sales Tax Payable | 65,838.65 |
| 230 - House Account Overpayments | 7,138.48 |

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Accrual Basis

SID'S HARDWARE & HOME CENTER CORP.

Balance Sheet
As of December 31, 2009

| | Dec 31, 09 |
|--|---------------|
| 240 - Payroll Liabilities | |
| 220 - Net Payroll | 4,920.25 |
| 221 - Payroll Deduction - Transit | 102.37 |
| 222 - Payroll Deduction - Union Dues | 287.98 |
| Total 240 - Payroll Liabilities | 5,310.60 |
| Total Other Current Liabilities | 696,159.44 |
| Total Current Liabilities | 1,724,475.08 |
| Long Term Liabilities | |
| 231 - Notes Payable - Avi Erdos | 420,350.00 |
| 236 - Michael S. Gold Loan Payable | |
| 236A - Chase - Credit Line | 353,627.19 |
| 236 - Michael S. Gold Loan Payable - Other | 100,847.00 |
| Total 236 - Michael S. Gold Loan Payable | 454,474.19 |
| Total Long Term Liabilities | 874,824.19 |
| Total Liabilities | 2,599,299.27 |
| Equity | |
| 300 - Opening Bal Equity | -327,004.60 |
| 301 - Common Stock | 5,000.00 |
| 303 - Treasury Stock | -900,000.00 |
| 304 - Paid in Capital | 18,000.00 |
| 305 - Retained Earnings | -49,133.26 |
| 307 - Accumulated Adjustments | 336,853.25 |
| Net Income | -403,679.44 |
| Total Equity | -1,319,964.05 |
| TOTAL LIABILITIES & EQUITY | 1,279,335.22 |

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Accrual Basis

SID'S HARDWARE & HOME CENTER CORP.

Profit & Loss

January through December 2009

Jan - Dec 09

Ordinary Income/Expense

Income

| | |
|---------------------------------------|--------------|
| 401 · Merchandise Sales | 1,390,551.94 |
| 402 · Merchandise Sales - Non Taxable | 3,328.33 |
| 406 · House Account Sales | 981,963.04 |
| 409 · Discount - House Accounts | -7,612.39 |

Total Income 2,368,230.92

Cost of Goods Sold

| | |
|------------------------------|------------|
| 50000 · Cost of Goods Sold | 371.55 |
| 501 · Purchases Hardware | 495,229.61 |
| 502 · Purchases - Lumber | 87,006.35 |
| 503 · Purchases - Housewares | 174,954.79 |
| 504 · Purchases - Locksmith | 48,247.11 |
| 506 · Purchases - Paint | 115,916.02 |
| 507 · Purchases - Electrical | 29,530.45 |
| 508 · Purchases Gardening | 9,957.31 |
| 509 · Purchases - Tools | 12,183.55 |
| 510 · Sid's Supplies COGS | 71,701.01 |
| 515 · Contracting - Labor | 7,795.58 |

Total COGS 1,052,893.33

Gross Profit 1,315,337.59

Expense

Gifts 6,127.48

700 · Personnel

| | |
|-------------------------------|------------|
| 701 · Salaries - Officer | 58,000.00 |
| 702 · Salaries - Other | 411,645.83 |
| 703 · Officer's Expense | 10,922.01 |
| 739 · Payroll Service Fee | 3,232.75 |
| 748 · Payroll Taxes | |
| 748-1 · Fica Expense | 36,547.23 |
| 748-2 · Futa Expense | 1,348.26 |
| 748-3 · NYS Unemployment Ins. | 7,514.92 |
| 748-4 · NY MTA TAX | 1,286.07 |

Total 748 · Payroll Taxes 46,696.48

Total 700 · Personnel 530,497.07

705 · Professional Fees

| | |
|------------------|-----------|
| 706 · Accounting | 9,404.55 |
| 707 · Legal | 43,198.75 |

Total 705 · Professional Fees 52,603.30

708 · Advertising and Promotion 100.00

709 · Automobile Expense 9,565.93

713 · Bank Service Charges 14,163.21

715 · Charitable Contributions 48.00

719 · Dues & Subscriptions 1,163.18

723 · Insurance Expense

| | |
|--|-----------|
| 723-1 · Officer Life Insurance | 31,773.55 |
| 723-2 · Health Insurance | 72,923.17 |
| 723-3 · Commercial Liability Insurance | 31,416.14 |
| 723-4 · Disability Insurance | 257.83 |
| 723-5 · Automobile Insurance | 1,353.99 |
| 723-6 · Worker's Comp Insurance | 16,895.13 |
| 723 · Insurance Expense - Other | -223.83 |

Total 723 · Insurance Expense 154,395.98

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Accrual Basis

SID'S HARDWARE & HOME CENTER CORP.
Profit & Loss
January through December 2009

| | Jan - Dec 09 |
|-------------------------------|--------------------|
| 734 · Office Expense | 10,749.42 |
| 737 · Postage & Delivery | 2,961.17 |
| 738 · Parking & Toll Expense | 726.44 |
| 740 · Rent Expense | 851,843.34 |
| 741 · Licenses and Permits | 349.00 |
| 745 · Repairs & Maintenance | 7,148.08 |
| 755 · Meals & Entertainment | 4,963.73 |
| 756 · Travel Expense | 1,338.10 |
| 760 · Utilities | |
| 721 · Alarm Expense | 2,525.56 |
| 735 · Internet Service | 979.20 |
| 750 · Sanitation | 4,428.31 |
| 754 · Telephone Expense | 12,112.58 |
| 760 · Utilities - Other | 32,799.60 |
| Total 760 · Utilities | 52,845.25 |
| 770 · Sales Commissions | 66,400.00 |
| Total Expense | 1,767,988.68 |
| Net Ordinary Income | -452,651.09 |
| Other Income/Expense | |
| Other Income | |
| 408 · Finance Charge Income a | 7,356.38 |
| Total Other Income | 7,356.38 |
| Other Expense | |
| 724 · Interest Expense | 26,349.49 |
| 800 · Ask My Accountant | -2,405.89 |
| Total Other Expense | 23,943.60 |
| Net Other Income | -16,587.22 |
| Net Income | <u>-469,238.31</u> |

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SID'S HARDWARE & HOME CENTER CORP.
Statement of Cash Flows
January through December 2009

| | Jan - Dec 09 |
|--|--------------|
| OPERATING ACTIVITIES | |
| Net Income | -469,238.31 |
| Adjustments to reconcile Net Income to net cash provided by operations: | |
| 113 · Accounts Receivable | -159,831.01 |
| 106 · Payroll Clearing | -11,689.63 |
| 12100 · Inventory Asset | 67.35 |
| 201 · Accounts Payable | -14,031.28 |
| 202 · Accounts Payable-Office Expense | 452,871.54 |
| 205 · Advanta Credit Card - Sid's | 4,050.43 |
| 212 · Citibank - Credit Line | -1,225.50 |
| 213 · Citibank - Checking Plus | -3,703.47 |
| 214 · Corp. Taxes Payable | -1,300.00 |
| 224 · Sales Tax Payable | 52,730.07 |
| 230 · House Account Overpayments | 7,138.48 |
| 240 · Payroll Liabilities:220 · Net Payroll | 4,920.25 |
| 240 · Payroll Liabilities:221 · Payroll Deduction - Transit | 85.65 |
| 240 · Payroll Liabilities:222 · Payroll Deduction - Union Dues | 287.98 |
| Net cash provided by Operating Activities | -138,867.45 |
| INVESTING ACTIVITIES | |
| 141 · Office Equipment | -2,148.94 |
| Net cash provided by Investing Activities | -2,148.94 |
| FINANCING ACTIVITIES | |
| 231 · Notes Payable - Avi Erdos | -5,300.00 |
| 236 · Michael S. Gold Loan Payable | 103,847.00 |
| 236 · Michael S. Gold Loan Payable:236A · Chase · Credit Line | -2,438.57 |
| 307 · Accumulated Adjustments | 11,735.43 |
| Net cash provided by Financing Activities | 107,843.86 |
| Net cash increase for period | -33,172.53 |
| Cash at beginning of period | -46,146.69 |
| Cash at end of period | -79,319.22 |

Form **1120S**Department of the Treasury
Internal Revenue Service (77)**U.S. Income Tax Return for an S Corporation**Do not file this form unless the corporation has filed or is
attaching Form 2553 to elect to be an S corporation.

OMB No. 1545-0030

2008

For calendar year 2008 or tax year beginning

A S election effective date
03/01/1989B Business activity
code number
(see instructions)
444110C Check if Sch. M-3
attached ☐Use
the IRS
label.
Other-
wise,
print
or type.

Name

SID'S HARDWARE AND HOMECENTER CORP.

Number, street, and room or suite no. If a P.O. box, see instructions.

345 JAY STREET

City or town, state, and ZIP code

BROOKLYN, NY 11201

, and ending

D Employer identification number

11-2566631

E Date incorporated

03/17/1981

F Total assets (see instructions)

\$ 1,182,175.

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filedH Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year

1

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

| Income | | Deductions (See instructions for limitations) | | Tax and Payments | |
|--------|--|---|-------------------------------|------------------|-----------|
| 1 a | Gross receipts or sales | 2,585,738 | b Less returns and allowances | 1c | 2,585,738 |
| 2 | Cost of goods sold (Schedule A, line 8) | | | 2 | 982,632 |
| 3 | Gross profit. Subtract line 2 from line 1c | | | 3 | 1,603,106 |
| 4 | Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) | | | 4 | |
| 5 | Other income (loss) (attach statement) | | | 5 | |
| 6 | Total income (loss). Add lines 3 through 5 | | | 6 | 1,603,106 |
| 7 | Compensation of officers | STATEMENT 1 | | 7 | 46,000 |
| 8 | Salaries and wages (less employment credits) | | | 8 | 533,390 |
| 9 | Repairs and maintenance | | | 9 | 6,390 |
| 10 | Bad debts | | | 10 | |
| 11 | Rents | | | 11 | 767,703 |
| 12 | Taxes and licenses | STATEMENT 2 | | 12 | 54,282 |
| 13 | Interest | | | 13 | 42,977 |
| 14 | Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562) | | | 14 | 56 |
| 15 | Depletion (Do not deduct oil and gas depletion.) | | | 15 | |
| 16 | Advertising | | | 16 | 6,360 |
| 17 | Pension, profit-sharing, etc., plans | | | 17 | |
| 18 | Employee benefit programs | | | 18 | 47,902 |
| 19 | Other deductions (attach statement) | STATEMENT 3 | | 19 | 201,499 |
| 20 | Total deductions. Add lines 7 through 19 | | | 20 | 1,706,559 |
| 21 | Ordinary business income (loss). Subtract line 20 from line 6 | | | 21 | <103,453> |
| 22 a | Excess net passive income or LIFO recapture tax (see instructions) | 22a | | 22c | |
| b | Tax from Schedule D (Form 1120S) | 22b | | | |
| c | Add lines 22a and 22b | | | | |
| 23 a | 2008 estimated tax payments and 2007 overpayment credited to 2008 | 23a | | 23d | |
| b | Tax deposited with Form 7004 | 23b | | | |
| c | Credit for federal tax paid on fuels (attach Form 4136) | 23c | | | |
| d | Add lines 23a through 23c | | | | |
| 24 | Estimated tax penalty (see instructions). Check if Form 2220 is attached | | | 24 | |
| 25 | Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed | | | 25 | |
| 26 | Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid | | | 26 | |
| 27 | Enter amount from line 26 Credited to 2009 estimated tax | Refunded | | 27 | |

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss
this return with the
preparer shown
below (see instr. 7)?☒ Yes ☐ NoPaid
Preparer's
Use OnlyPreparer's
signatureFirm's name (or
yours if self-
employed),
address, and
ZIP code

R. L. Frishkoff & Co. LLC

L.H. FRISHKOFF & CO. LLP
529 FIFTH AVE, 9TH FLOOR
NEW YORK, NY 10017-4608

Date

3/14/09

Check if
self-
employed ☐

EIN

Preparer's
SSN or PTIN
P00159765

13-1974820

Phone no. 212-808-0070

JWA
811701
12-31-08

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form 1120S (2008)

SID'S HARDWARE AND HOMECENTER CORP.

11-2566631 Page 2

Schedule A Cost of Goods Sold (see instructions)

| | | | |
|---|---|---|------------|
| 1 | Inventory at beginning of year | 1 | 744,553. |
| 2 | Purchases | 2 | 1,207,916. |
| 3 | Cost of labor | 3 | |
| 4 | Additional section 263A costs (attach statement) | 4 | |
| 5 | Other costs (attach statement) | 5 | |
| 6 | Total. Add lines 1 through 5 | 6 | 1,952,469. |
| 7 | Inventory at end of year | 7 | 969,837. |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 | 982,632. |

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3
- (ii) ☒ Lower of cost or market as described in Regulations section 1.471-3
- (iii) ☐ Other (Specify method used and attach explanation) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO ▶ ☐e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? 9d ☐f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation.

Schedule B Other Information (see instructions)

| | | | |
|---|--|-----|----|
| 1 | Check accounting method: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶ | Yes | No |
| 2 | See the instructions and enter the: | | |
| | (a) Business activity ▶ RETAIL & WHOLESALE (b) Product or service ▶ HARDWARE/HOUSEWARE | | |
| 3 | At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made? | | X |
| 4 | Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction? | | X |
| 5 | Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. ▶ <input type="checkbox"/> | | |
| 6 | If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$ | | |
| 7 | Enter the accumulated earnings and profits of the corporation at the end of the tax year ▶ \$ | | |
| 8 | Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1 | | X |

Schedule K Shareholders' Pro Rata Share Items

| | | Total amount | |
|----|---|--------------|------------|
| 1 | Ordinary business income (loss) (page 1, line 21) | 1 | <103,453.> |
| 2 | Net rental real estate income (loss) (attach Form 8825) | 2 | |
| 3a | Other gross rental income (loss) | 3a | |
| b | Expenses from other rental activities (attach statement) | 3b | |
| c | Other net rental income (loss). Subtract line 3b from line 3a | 3c | |
| 4 | Interest income | 4 | 667. |
| 5 | Dividends: a Ordinary dividends | 5a | 15,028. |
| | b Qualified dividends | 5b | |
| 6 | Royalties | 6 | |
| 7 | Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) | 7 | |
| 8a | Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) | 8a | |
| b | Collectibles (28%) gain (loss) | 8b | |
| c | Unrecaptured section 1250 gain (attach statement) | 8c | |
| 9 | Net section 1231 gain (loss) (attach Form 4797) | 9 | |
| 10 | Other income (loss) (see instructions) Type ▶ | 10 | |

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Form 1120S (2008)

SID'S HARDWARE AND HOMECENTER CORP.

11-2566631 Page 3

| | | Shareholders' Pro Rata Share Items (continued) | | Total amount | |
|-------------------------------------|--|--|--|--------------|-----------|
| Deductions | 11 Section 179 deduction (attach Form 4562) | | | 11 | |
| | 12 a Contributions | STATEMENT 6 | | 12a | 550. |
| | b Investment interest expense | | | 12b | |
| | c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶ | | | 12c(2) | |
| Credits | d Other deductions (see instructions) Type ▶ | | | 12d | |
| | 13 a Low-income housing credit (section 42(j)(5)) | | | 13a | |
| | b Low-income housing credit (other) | | | 13b | |
| | c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) | | | 13c | |
| | d Other rental real estate credits (see instructions) Type ▶ | | | 13d | |
| | e Other rental credits (see instructions) Type ▶ | | | 13e | |
| | f Alcohol and cellulosic biofuel fuels credit (attach Form 6478) | | | 13f | |
| Foreign Transactions | g Other credits (see instructions) Type ▶ | | | 13g | |
| | 14 a Name of country or U.S. possession ▶ | | | | |
| | b Gross income from all sources | | | 14b | |
| | c Gross income sourced at shareholder level | | | 14c | |
| | Foreign gross income sourced at corporate level | | | | |
| | d Passive category | | | 14d | |
| | e General category | | | 14e | |
| | f Other (attach statement) | | | 14f | |
| | Deductions allocated and apportioned at shareholder level | | | | |
| | g Interest expense | | | 14g | |
| | h Other | | | 14h | |
| | Deductions allocated and apportioned at corporate level to foreign source income | | | | |
| | i Passive category | | | 14i | |
| | j General category | | | 14j | |
| Alternative Minimum Tax (AMT) Items | k Other (attach statement) | | | 14k | |
| | Other information | | | | |
| | l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | | | 14l | |
| | m Reduction in taxes available for credit (attach statement) | | | 14m | |
| | n Other foreign tax information (attach statement) | | | | |
| | 15 a Post-1986 depreciation adjustment | | | 15a | <982.> |
| Items Affecting Shareholder Basis | b Adjusted gain or loss | | | 15b | |
| | c Depletion (other than oil and gas) | | | 15c | |
| | d Oil, gas, and geothermal properties - gross income | | | 15d | |
| | e Oil, gas, and geothermal properties - deductions | | | 15e | |
| | f Other AMT items (attach statement) | | | 15f | |
| Other Information | 16 a Tax-exempt interest income | | | 16a | |
| | b Other tax-exempt income | | | 16b | |
| | c Nondeductible expenses | STATEMENT 7 | | 16c | 41,540. |
| | d Property distributions | | | 16d | |
| Reconciliation | e Repayment of loans from shareholders | | | 16e | |
| | 17 a Investment income | | | 17a | 15,695. |
| | b Investment expenses | | | 17b | |
| | c Dividend distributions paid from accumulated earnings and profits | | | 17c | |
| | d Other items and amounts (attach statement) | STATEMENT 8 | | | |
| | 18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column From the result, subtract the sum of the amounts on lines 11 through 12d and 14l | | | 18 | <88,308.> |

JWA

Form 1120S (2008)

| Schedule L Balance Sheets per Books | | Beginning of tax year | | End of tax year | |
|--------------------------------------|---|-----------------------|----------|-----------------|------------|
| Assets | | (a) | (b) | (c) | (d) |
| 1 | Cash | | 27,155. | | 0. |
| 2 a | Trade notes and accounts receivable | 89,990. | | 82,061. | |
| b | Less allowance for bad debts | | 89,990. | | 82,061. |
| 3 | Inventories | | 744,553. | | 969,837. |
| 4 | U.S. Government obligations | | | | |
| 5 | Tax-exempt securities | | | | |
| 6 | Other current assets (att. stmt.) | STATEMENT 11 | 22,033. | | 3,000. |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments (att. stmt.) | STATEMENT 12 | 54,295. | | 64,814. |
| 10 a | Buildings and other depreciable assets | 66,458. | | 67,583. | |
| b | Less accumulated depreciation | 66,458. | 0. | 66,514. | 1,069. |
| 11 a | Depletable assets | | | | |
| b | Less accumulated depletion | | | | |
| 12 | Land (net of any amortization) | | | | |
| 13 a | Intangible assets (amortizable only) | | | | |
| b | Less accumulated amortization | | | | |
| 14 | Other assets (att. stmt.) | STATEMENT 13 | 0. | | 61,394. |
| 15 | Total assets | | 938,026. | | 1,182,175. |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | 234,342. | | 277,720. |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | 339,898. | | 779,921. |
| 18 | Other current liabilities (att. stmt.) | STATEMENT 14 | 455,063. | | 428,924. |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | 425,650. | | 342,385. |
| 21 | Other liabilities (att. stmt.) | | | | |
| 22 | Capital stock | | 5,000. | | 5,000. |
| 23 | Additional paid-in capital | | 18,000. | | 18,000. |
| 24 | Retained earnings | STATEMENT 16 | 360,073. | | 230,225. |
| 25 | Adjustments to shareholders' equity (att. stmt.) | | | | |
| 26 | Less cost of treasury stock | | 900,000. | | 900,000. |
| 27 | Total liabilities and shareholders' equity | | 938,026. | | 1,182,175. |

| Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return | | Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions | |
|--|---|---|---|
| 1 | Net income (loss) per books | <129,848.> | 5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): a Tax-exempt interest \$ |
| 2 | Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): | | |
| 3 | Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14 (itemize): a Depreciation \$ b Travel and entertainment \$ 1,322. STMT 15 40,218. | 41,540. | 6 Deductions included on Schedule K, lines 1 through 12 and 14, not charged against book income this year (itemize): a Depreciation \$ |
| 4 | Add lines 1 through 3 | <88,308.> | 7 Add lines 5 and 6 |
| | | | 8 Income (loss) (Schedule K, line 18). Line 4 less line 7 |
| | | | <88,308.> |

| Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions) | | | |
|---|---|-------------------------------|---|
| | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
| 1 | Balance at beginning of tax year | 177,884. | |
| 2 | Ordinary income from page 1, line 21 | | |
| 3 | Other additions STATEMENT 9 | 15,695. | |
| 4 | Loss from page 1, line 21 | (103,453.) | |
| 5 | Other reductions STATEMENT 10 | (42,090.) | |
| 6 | Combine lines 1 through 5 | 48,036. | |
| 7 | Distributions other than dividend distributions | | |
| 8 | Balance at end of tax year. Subtract line 7 from line 6 | 48,036. | |

Depreciation and Amortization
(Including Information on Listed Property) **OTHER**
▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2008

Attachment
Sequence No. 67
Identifying number

SID'S HARDWARE AND HOMECENTER CORP.

OTHER DEPRECIATION

11-2566631

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum amount. See the instructions for a higher limit for certain businesses | 1 | 250,000. |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation | 3 | 800,000. |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2007 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 | 13 | |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

| | | | |
|----|--|----|--|
| 14 | Special depreciation for qualified property (other than listed property) placed in service during the tax year | 14 | |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

| | | | |
|----|---|----|--|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2008 | 17 | |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here | | |

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only - see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | | | | | |
| b 5-year property | | 1,125. | 5 YRS. | MQ | 200DB | 56. |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | / | | 27.5 yrs. | MM | S/L | |
| | / | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | / | | 39 yrs. | MM | S/L | |
| | / | | | MM | S/L | |

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|----------------|---|--|---------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 40-year | / | | 40 yrs. | MM | S/L | |

Part V Summary (See instructions.)

| | | | |
|----|--|----|-----|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr. | 22 | 56. |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

Part V

Listed Property (include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/ investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/ Convention | (h) Depreciation deduction | (i) Elected section 179 cost |
|--|-------------------------------------|--|-------------------------------|--|---------------------------|------------------------------|----------------------------------|---------------------------------------|
|--|-------------------------------------|--|-------------------------------|--|---------------------------|------------------------------|----------------------------------|---------------------------------------|

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use

25

26 Property used more than 50% in a qualified business use:

| | | | | | | | | |
|--|--|---|--|--|--|--|--|--|
| | | % | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |

27 Property used 50% or less in a qualified business use:

| | | | | | | | | |
|--|--|---|--|--|-----|--|--|--|
| | | % | | | S/L | | | |
| | | % | | | S/L | | | |
| | | % | | | S/L | | | |

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | (a) Vehicle | (b) Vehicle | (c) Vehicle | (d) Vehicle | (e) Vehicle | (f) Vehicle |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| 30 Total business/investment miles driven during the year (do not include commuting miles) | | | | | | |
| 31 Total commuting miles driven during the year | | | | | | |
| 32 Total other personal (noncommuting) miles driven | | | | | | |
| 33 Total miles driven during the year. Add lines 30 through 32 | | | | | | |
| 34 Was the vehicle available for personal use during off-duty hours? | Yes | No | Yes | No | Yes | No |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | |

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

| | | |
|--|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | Yes | No |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 39 Do you treat all use of vehicles by employees as personal use? | | |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? | | |

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year |
|-----------------------------|------------------------------------|------------------------------|------------------------|---|--------------------------------------|
|-----------------------------|------------------------------------|------------------------------|------------------------|---|--------------------------------------|

42 Amortization of costs that begins during your 2008 tax year:

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
| | | | | | |

43 Amortization of costs that began before your 2008 tax year

43

44 Total. Add amounts in column (f). See the instructions for where to report

44

| | | |
|------------|--------------------------|-------------|
| FORM 1120S | COMPENSATION OF OFFICERS | STATEMENT 1 |
|------------|--------------------------|-------------|

| NAME OF OFFICER | SOCIAL SECURITY NUMBER | TIME DEVOTED TO BUSINESS | PCT OF STOCK | AMOUNT OF COMPENSATION |
|--------------------------------------|------------------------|--------------------------|--------------|------------------------|
| MICHAEL GOLD | 199-52-2466 | 100 | % | 23,000. |
| GALIT GOLD | 079-72-6823 | 100 | 100.00% | 23,000. |
| TOTAL COMPENSATION OF OFFICERS | | | | 46,000. |
| LESS: COMPENSATION CLAIMED ELSEWHERE | | | | |
| EMPLOYMENT CREDIT REDUCTION | | | | |
| TOTAL TO FORM 1120S, PAGE 1, LINE 7 | | | | 46,000. |

| | | |
|------------|--------------------|-------------|
| FORM 1120S | TAXES AND LICENSES | STATEMENT 2 |
|------------|--------------------|-------------|

| DESCRIPTION | AMOUNT |
|---------------------------------------|---------|
| PAYROLL TAXES | 52,982. |
| NEW YORK TAXES - BASED ON INCOME | 1,000. |
| NEW YORK CITY TAXES - BASED ON INCOME | 300. |
| TOTAL TO FORM 1120S, PAGE 1, LINE 12 | 54,282. |

| | | |
|------------|------------------|-------------|
| FORM 1120S | OTHER DEDUCTIONS | STATEMENT 3 |
|------------|------------------|-------------|

| DESCRIPTION | AMOUNT |
|--------------------------------------|----------|
| ACCOUNTING | 27,186. |
| ALARM EXPENSE | 4,737. |
| AUTOMOBILE EXPENSE | 16,995. |
| BANK & CREDIT CARD CHARGES | 33,519. |
| DUES & SUBSCRIPTIONS | 1,041. |
| INSURANCE | 59,705. |
| INTERNET SERVICE | 454. |
| OFFICE EXPENSE | 11,427. |
| OUTSIDE SERVICE | 16,142. |
| PARKING & TOLL EXPENSE | 2,511. |
| PAYROLL SERVICE FEE | 3,486. |
| POSTAGE EXPENSE | 4,437. |
| SANATION | 2,716. |
| TELEPHONE | 13,216. |
| TRAVEL EXPENSE | 851. |
| UTILITIES | 1,754. |
| MEALS AND ENTERTAINMENT | 1,322. |
| TOTAL TO FORM 1120S, PAGE 1, LINE 19 | 201,499. |

| | | | |
|------------|-----------------|-----------|---|
| SCHEDULE K | INTEREST INCOME | STATEMENT | 4 |
|------------|-----------------|-----------|---|

| DESCRIPTION | AMOUNT |
|-----------------------------|--------|
| TRUE VALUE | 667. |
| TOTAL TO SCHEDULE K, LINE 4 | 667. |

| | | | |
|------------|-----------------|-----------|---|
| SCHEDULE K | DIVIDEND INCOME | STATEMENT | 5 |
|------------|-----------------|-----------|---|

| DESCRIPTION | ORDINARY | QUALIFIED |
|---------------------------------------|----------|-----------|
| TRUE VALUE | 15,028. | |
| TOTALS TO SCHEDULE K, LINES 5A AND 5B | 15,028. | |

| | | | |
|------------|--------------------------|-----------|---|
| SCHEDULE K | CHARITABLE CONTRIBUTIONS | STATEMENT | 6 |
|------------|--------------------------|-----------|---|

| DESCRIPTION | NO LIMIT | 50% / 100% LIMIT | 30% LIMIT | 20% LIMIT |
|--------------------------------|-------------|---------------------|-----------|-----------|
| CASH CONTRIBUTIONS | | 550. | | |
| TOTALS TO SCHEDULE K, LINE 12A | | 550. | | |

| | | | |
|------------|------------------------|-----------|---|
| SCHEDULE K | NONDEDUCTIBLE EXPENSES | STATEMENT | 7 |
|------------|------------------------|-----------|---|

| DESCRIPTION | AMOUNT |
|---|---------|
| PENALTIES | 706. |
| OFFICER LIFE INSURANCE | 32,084. |
| SHAREHOLDER HEALTH INSURANCE | 7,428. |
| EXCLUDED MEALS AND ENTERTAINMENT EXPENSES | 1,322. |
| TOTAL TO SCHEDULE K, LINE 16C | 41,540. |

| | | | |
|------------|-----------------------|-----------|---|
| SCHEDULE K | OTHER ITEMS, LINE 17D | STATEMENT | 8 |
|------------|-----------------------|-----------|---|

| | |
|--|--------|
| DESCRIPTION | AMOUNT |
| MEDICAL INSURANCE PREMIUMS FOR MORE THAN 2% SHAREHOLDERS | 7,428. |

| | | | |
|--------------|---|-----------|---|
| SCHEDULE M-2 | ACCUMULATED ADJUSTMENTS ACCOUNT - OTHER ADDITIONS | STATEMENT | 9 |
|--------------|---|-----------|---|

| | |
|--|---------|
| DESCRIPTION | AMOUNT |
| PORTFOLIO INTEREST INCOME | 667. |
| PORTFOLIO DIVIDEND INCOME | 15,028. |
| TOTAL TO SCHEDULE M-2, LINE 3 - COLUMN (A) | 15,695. |

| | | | |
|--------------|---|-----------|----|
| SCHEDULE M-2 | ACCUMULATED ADJUSTMENTS ACCOUNT- OTHER REDUCTIONS | STATEMENT | 10 |
|--------------|---|-----------|----|

| | |
|--|---------|
| DESCRIPTION | AMOUNT |
| CHARITABLE CONTRIBUTIONS | 550. |
| NONDEDUCTIBLE EXPENSES | 41,540. |
| TOTAL TO SCHEDULE M-2, LINE 5 - COLUMN (A) | 42,090. |

| | | | |
|------------|----------------------|-----------|----|
| SCHEDULE L | OTHER CURRENT ASSETS | STATEMENT | 11 |
|------------|----------------------|-----------|----|

| | | |
|--------------------------------|--------------------------|--------------------|
| DESCRIPTION | BEGINNING OF TAX YEAR | END OF TAX YEAR |
| DUE FROM AFFILIATE | 18,000. | 3,000. |
| INTEREST & DIVIDEND RECEIVABLE | 4,033. | 0. |
| TOTAL TO SCHEDULE L, LINE 6 | 22,033. | 3,000. |

| | | |
|------------|-------------------|--------------|
| SCHEDULE L | OTHER INVESTMENTS | STATEMENT 12 |
|------------|-------------------|--------------|

| DESCRIPTION | BEGINNING OF TAX YEAR | END OF TAX YEAR |
|-----------------------------|--------------------------|--------------------|
| INVESTMENT IN TRUE VALUE | 54,295. | 64,814. |
| TOTAL TO SCHEDULE L, LINE 9 | 54,295. | 64,814. |

| | | |
|------------|--------------|--------------|
| SCHEDULE L | OTHER ASSETS | STATEMENT 13 |
|------------|--------------|--------------|

| DESCRIPTION | BEGINNING OF TAX YEAR | END OF TAX YEAR |
|------------------------------|--------------------------|--------------------|
| DEPOSIT | 0. | 61,394. |
| TOTAL TO SCHEDULE L, LINE 14 | 0. | 61,394. |

| | | |
|------------|---------------------------|--------------|
| SCHEDULE L | OTHER CURRENT LIABILITIES | STATEMENT 14 |
|------------|---------------------------|--------------|

| DESCRIPTION | BEGINNING OF TAX YEAR | END OF TAX YEAR |
|------------------------------|--------------------------|--------------------|
| ACCRUED EXPENSES | 437,687. | 390,670. |
| CORP. TAX PAYABLE | 625. | 1,300. |
| PAYROLL TAXES PAYABLE | 43. | 17. |
| SALES TAX PAYABLE | 16,708. | 13,189. |
| BANK OVERDRAFT | 0. | 23,748. |
| TOTAL TO SCHEDULE L, LINE 18 | 455,063. | 428,924. |

| | | |
|--------------|--|--------------|
| SCHEDULE M-1 | EXPENSES RECORDED ON BOOKS THIS YEAR NOT INCLUDED ON SCHEDULE K | STATEMENT 15 |
|--------------|--|--------------|

| DESCRIPTION | AMOUNT |
|-------------------------------|---------|
| PENALTIES | 706. |
| OFFICER LIFE INSURANCE | 32,084. |
| SHAREHOLDER HEALTH INSURANCE | 7,428. |
| TOTAL TO SCHEDULE M-1, LINE 3 | 40,218. |

| | | |
|------------|---|--------------|
| SCHEDULE L | ANALYSIS OF TOTAL RETAINED EARNINGS PER BOOKS | STATEMENT 16 |
|------------|---|--------------|

| DESCRIPTION | AMOUNT |
|-------------|--------|
|-------------|--------|

| | |
|------------------------------|--|
| BALANCE AT BEGINNING OF YEAR | |
|------------------------------|--|

| |
|----------|
| 360,073. |
|----------|

| | |
|----------------------|--|
| NET INCOME PER BOOKS | |
|----------------------|--|

| |
|------------|
| <129,848.> |
|------------|

| | |
|---------------|--|
| DISTRIBUTIONS | |
|---------------|--|

| |
|----|
| 0. |
|----|

| | |
|-----------------------------|--|
| OTHER INCREASES (DECREASES) | |
|-----------------------------|--|

| | |
|--|--|
| BALANCE AT END OF YEAR - SCHEDULE L, LINE 24, COLUMN (D) | |
|--|--|

| |
|----------|
| 230,225. |
|----------|

SCHEDULE K-1 NONDEDUCTIBLE EXPENSES, BOX 16, CODE C

| DESCRIPTION | AMOUNT | SHAREHOLDER FILING INSTRUCTIONS |
|---|---------|---------------------------------|
| PENALTIES | 706. | |
| OFFICER LIFE INSURANCE | 32,084. | |
| SHAREHOLDER HEALTH INSURANCE | 7,428. | |
| EXCLUDED MEALS AND ENTERTAINMENT EXPENSES | 1,322. | SEE FORM 1040 INSTRUCTIONS |
| TOTAL | 41,540. | |

SCHEDULE K-1 OTHER INFORMATION, BOX 17, CODE T

| DESCRIPTION | AMOUNT | SHAREHOLDER FILING INSTRUCTIONS |
|--|--------|---------------------------------|
| MEDICAL INSURANCE PREMIUMS FOR MORE THAN 2% SHAREHOLDERS | 7,428. | SEE FORM 1040 INSTRUCTIONS |

**United States Bankruptcy Court
Eastern District of New York**

In re **Sid's Hardware & Homecenter Corp.**

Debtor(s)

Case No.

Chapter

11

VERIFICATION OF CREDITOR MATRIX

The above named debtor(s) or attorney for the debtor(s) hereby verify that the attached matrix (list of creditors) is true and correct to the best of their knowledge.

Date: **January 22, 2010**

/s/ Galit Gold

Galit Gold/President

Signer/Title

Date: **January 22, 2010**

/s/ Arthur Goldstein

Signature of Attorney

Arthur Goldstein AG-8735

Todtman Nachamie Spizz & Johns PC

425 Park Avenue

5th Floor

New York, NY 10022

212-754-9400 Fax: 212-754-6262

Achim Importing, Inc.
58 2nd Avenue
Brooklyn, NY 11215

AF Brooklyn
1000 South 2nd Street
Harrison, NJ 07029

Amalgamated Local 298
Health Benefit Fund
201 W. Valley Stream Blvd
Valley Stream, NY 11580

Anchor Wholesale Hardware
Supplies Inc.
218 50th Street
Brooklyn, NY 11220

Arctic Metal & Steel Corp
507 Wortman Avenue
Brooklyn, NY 11208

Benjamin Moore Paints
203 Kuller Road
Clifton, NJ 07011

Brooklyn Hardware
Wholesale, Inc.
175 Sixth Street
Brooklyn, NY 11215

Bulbrite
145 West Commercial Ave
Moonachie, NJ 07074

CheapBatteries.com
140 58th Street
#5F
Brooklyn, NY 11220

Con Edison
JAF Station
P.O. Box 1701
New York, NY 10116-1701

DKB Household USA Corp.
One Post, Suite 100
Irvine, CA 92618

Drywall Specialties Corp.
81-11 101st Ave
Ozone Park, NY 11416

Erdos, Avi
356 Whitman Drive
Brooklyn, NY 11234

First NY Partners
1 Metrotech Center North
11th Floor
Brooklyn, NY 11201

Glencraft Corporation
205 Fortin Drive
Woonsocket, RI 02895

GNA Global Trading LLC
370 Jefferson Street
Brooklyn, NY 11237

Gold, Michael
57 Front Street
Apt. 303
Brooklyn, NY 11201

Grip Tight Tools Import
1413 Chestnut Avenue
Hillside, NJ 07205

Howard Berger Company
1 South Middlesex Avenue
Monroe Township, NJ 08831

John Sterling Corporation
11600 Sterling Parkway
Box 469
Richmond, IL 60071-0469

Kam Kuo Trading, Inc.
52-15 Metropolitan Avenue
Ridgewood, NY 11385

Kaufman Iron Works
202 12th Avenue
Paterson, NJ 07501

Klein Tools, Inc.
75 Remittance Drive
Suite 1186
Chicago, IL 60675-1186

L.H. Frishkoff & Company
529 Fifth Avenue
New York, NY 10017

Local 298 Health Benefit
201 W. Valley Stream Blvd
Valley Stream, NY 11580-5593

Lucky Line Products
7890 Dunbrook Road
San Diego, CA 92126-4369

Mayflower
614 Bergen Street
Brooklyn, NY 11238

Melissa & Doug
P.O. Box 590
Westport, CT 06881

Missry Associates, Inc.
135 S. Lasalle-Dept. 2987
Chicago, IL 60674-2987

N.Y.C. Dept. of Finance
345 Adams Street
3rd Floor
Attn: Legal Affairs Div.
Brooklyn, NY 11201-3179

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Bankruptcy Unit
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Albany, NY 12205

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Bankruptcy Unit - TCD
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Albany, NY 12227

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75 West Merrick Road
P.O. Box 712
Freeport, NY 11520

Oxford Health Insurance
P.O. Box 1697
Newark, NJ 07101-1697

Pacoa
7 Harbor Park Drive
Port Washington, NY 11050

Pioneer Associates
105 Evergreen Avenue
Brooklyn, NY 11206

Protect-a-Bed North
America LLC
624 Haverford Road
Haverford, PA 19041

Rand MFG
1602 Van Vranken Avenue
Schenectady, NY 12308-2299

Reiss Wholesale Hardware
975 Georgia Avenue
Brooklyn, NY 11207

Satco Products, Inc.
110 Heartland Blvd.
Brentwood, NY 11717

SBH Fasteners
1933 Highway 35
Suite 315
Wall Township, NJ 07719

Schindler Elevator Corp.
7 Midland Avenue
Hicksville, NY 11801-1509

Servalite
3451 Morton Drive East
East Moline, IL 61244

Small Business CFO
47-01 Greenpoint Avenue
#130
Sunnyside, NY 11104

Solty Bros. Hardware
418 Route 206
Montague, NJ 07827

Southwest Trading
1143 W. Lincoln Street
Unit 7
Banning, CA 92399

Standard Wholesale
Hardware, Inc.
42 Ludlow Street
New York, NY 10002

Sunlite
744 Clinton Street
Brooklyn, NY 11231

Tele-Verse Communication
730 Blue Point Road
Holtsville, NY 11742

The C-Mor Company
P.O. Box 940
Garfield, NJ 07026

Tower Graphics
681 Coney Island Avenue
Brooklyn, NY 11218

Travelers
CL Remittance Center
Hartford, CT 06183-1008

True Value Company
P.O. Box 3316
Boston 02241-3316

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Brooklyn, NY 11201-1820

UDI Corporation
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Redmond, OR 97756

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Leonida, NJ 07605